



STATE OF MARYLAND

**DHMH**

PT 20-05

Office of Health Services  
Medical Care Programs

Maryland Department of Health and Mental Hygiene  
201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – S. Anthony McCann, Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM**  
**Waiver for Older Adults Transmittal No. 12**  
**April 6, 2005**

To: Waiver for Older Adults Providers  
Maryland Department of Aging  
Area Agencies on Aging

From: *Susan J. Tucker*  
Susan J. Tucker, Executive Director  
Office of Health Services

Note: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

Re: Waiver for Older Adults Proposed Amendment COMAR 10.09.54

Action: Proposed Amendment

Proposed Effective Date: July 1, 2005

Written Comments To:  
Michele Phinney  
201 W. Preston Street, Room 521  
Baltimore, MD 21201  
(410) 767-6499

Program Contact Person:  
Kristin Jones, Waiver  
Coordinator  
Long Term Care and Waiver Services  
(410) 767-5220

Comment Period Expires: May 2, 2005

The Maryland Medical Assistance Program proposes to amend Regulation .33 under COMAR 10.09.54 Home/Community Based Services Waiver for Older Adults. The amendments, as published in the Maryland Register, are attached.

The purpose of the proposed amendment is to clarify the methodology for reimbursement rates which is consistent with the proposed budget for fiscal year 2006 for the Waiver for Older Adults. The rate of increase in reimbursement for waiver providers will be reduced by ½ percent.

Any questions regarding the content of this transmittal should be directed to Older Adults Waiver Coordinator, at 410-767-5220.

(See reverse side)

**.09 Payment Procedures.**

A. — C. (text unchanged)

D. Per Diem Rate.

(1) Payment to a provider of medical day care services shall be on a per diem basis. The per diem rate for the period [November 1, 2003 through June 30, 2004 is \$64.66] July 1, 2005 through June 30, 2006 is \$66.41.

(2) Effective July 1, [2004] 2006, the per diem rate shall be adjusted annually by adjusting the per diem rate for the preceding fiscal year by the percentage of the annual increase or decrease in the March Consumer Price Index for All Urban Consumers, medical care component, Washington-Baltimore, from U.S. Department of Labor, Bureau of Labor Statistics. This rate shall be established 1 month before the beginning of the State's new fiscal year and shall be applicable for the State's entire fiscal year.

(3) (text unchanged)

E. (text unchanged)

S. ANTHONY McCANN  
Secretary of Health and Mental Hygiene

**Subtitle 09 MEDICAL CARE PROGRAMS**

**10.09.54 Home/Community Based Services Waiver for Older Adults**

Authority: Health-General Article, §§2-104(b), 15-103, 15-105, and 15-132, Annotated Code of Maryland

**Notice of Proposed Action**

[05-061-P]

The Secretary of Health and Mental Hygiene proposes to amend Regulation .33 under COMAR 10.09.54 Home/Community Based Services Waiver for Older Adults.

**Statement of Purpose**

The purpose of this action is to change the methodology for establishing reimbursement rates for fiscal year 2006 for the Waiver for Older Adults. Consistent with the proposed budget for fiscal year 2006, the increase in reimbursement rates for waiver providers will be reduced by 1/2 percent.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

**I. Summary of Economic Impact.** The amendment will reduce the increase in reimbursement rates established for fiscal year 2006 by 1/2 percent, saving \$300,000 total funds (\$150,000 in State general funds).

**II. Types of Economic Impact.**

	Revenue (R+/R-)	Expenditure (E+/E-)	Magnitude
A. On issuing agency: Medical Assistance Program	(E-)		\$300,000
B. On other State agencies:	NONE		
C. On local governments:	NONE		

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups: Waiver services providers	(-)	\$300,000
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

D. On regulated industries or trade groups:

Waiver services providers (-) \$300,000

E. On other industries or trade groups:

NONE

F. Direct and indirect effects on public:

NONE

**III. Assumptions.** (Identified by Impact Letter and Number from Section II.)

A. Reimbursement rates for providers under the Waiver for Older Adults increase annually according to a methodology specified in regulation. For fiscal year 2006, the percent increase calculated from the current methodology will be reduced by 0.5 percent. With projected expenditures for waiver services affected by this provision of approximately \$60,000,000 tempering the rate increase by 0.5 percent will save \$300,000, 50 percent of which will be State general funds.

D. Increases in payments to providers under the Waiver for Older Adults will be reduced by \$300,000, as indicated in A, above.

**Economic Impact on Small Businesses**

The proposed action has a meaningful economic impact on small businesses. An analysis of this economic impact follows.

The largest provider groups under the Waiver for Older Adults are assisted living facilities and personal care providers. Most providers operate as small businesses or independent contractors.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Michele Phinney, Director, Office of Regulation and Policy Coordination, Department of Health and Mental Hygiene, 201 W. Preston Street, Room 521, Baltimore, Maryland 21201, or call (410) 767-6499 or 1-877-4MD-DHMH, extension 6499, or fax to (410) 333-7687, or email to regs@dnhm.state.md.us. Comments will be accepted through May 2, 2005.

**.33 Payment Procedures.**

A. — B. (text unchanged)

C. Payments.

(1) — (3) (text unchanged)

(3-1) For the purpose of establishing reimbursement rates for the period July 1, 2004 through June 30, [2005] 2006, the rate of increase calculated under §C(3) of this regulation shall be reduced by one-half of a percentage point (0.5 percent).

(4) — (17) (text unchanged)

S. ANTHONY McCANN  
Secretary of Health and Mental Hygiene